

LEGISLATURE OF NEBRASKA  
NINETY-EIGHTH LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 607**

Introduced by Schimek, 27

Read first time January 21, 2003

Committee: Government, Military and Veterans Affairs

A BILL

- 1 FOR AN ACT relating to the Auditor of Public Accounts; to amend
- 2 section 84-304, Revised Statutes Supplement, 2002; to
- 3 provide duties relating to performance evaluations; and
- 4 to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 84-304, Revised Statutes Supplement,  
2   2002, is amended to read:

3           84-304. It shall be the duty of the Auditor of Public  
4   Accounts:

5           (1) To give information in writing to the Legislature,  
6   whenever required, upon any subject relating to the fiscal affairs  
7   of the state or with regard to any duty of his or her office;

8           (2) To furnish offices for himself or herself and all  
9   fuel, lights, books, blanks, forms, paper, and stationery required  
10   for the proper discharge of the duties of his or her office;

11          (3) To examine or cause to be examined, at such time as  
12   he or she shall determine, books, accounts, vouchers, records, and  
13   expenditures of all state officers, state bureaus, state boards,  
14   state commissioners, the state library, societies and associations  
15   supported by the state, state institutions, state colleges, and the  
16   University of Nebraska, except when required to be performed by  
17   other officers or persons;

18          (4) (a) To examine or cause to be examined, at the  
19   expense of the political subdivision, when the Auditor of Public  
20   Accounts determines such examination necessary or when requested by  
21   the political subdivision, the books, accounts, vouchers, records,  
22   and expenditures of an agricultural association formed under  
23   Chapter 2, article 20, county agricultural society, joint airport  
24   authority formed under the Joint Airport Authorities Act, city or  
25   county airport authority, cemetery district, development district,  
26   drainage district, health district, historical society, hospital  
27   authority or district, county hospital, housing agency as defined  
28   in section 71-1575, irrigation district, county or municipal

1 library, community mental health center, railroad transportation  
2 safety district, rural water district, township, Wyuka Cemetery,  
3 any village, any political subdivision with the authority to levy a  
4 property tax, or any entity created pursuant to the Joint Public  
5 Agency Act which has separately levied a property tax based on  
6 legal authority for a joint public agency to levy such a tax  
7 independent of the public agencies forming such joint public  
8 agency.

9 (b) The Auditor of Public Accounts may waive the audit  
10 requirement of subdivision (4)(a) of this section upon the  
11 submission by the political subdivision of a written request in a  
12 form prescribed by the auditor. The auditor shall notify the  
13 political subdivision in writing of the approval or denial of the  
14 request for a waiver;

15 (5) To report promptly to the Director of Administrative  
16 Services and the appropriate standing committee of the Legislature  
17 the fiscal condition shown by such examinations conducted by the  
18 auditor, including any irregularities or misconduct of officers or  
19 employees, any misappropriation or misuse of public funds or  
20 property, and any improper system or method of bookkeeping or  
21 condition of accounts. In addition, if, incidental to a financial  
22 audit, the auditor discovers any problems related to the  
23 effectiveness, efficiency, or performance of state programs, he or  
24 she shall report them to the appropriate standing committee of the  
25 Legislature and the Legislative Program Evaluation Committee;

26 (6)(a) To examine or cause to be examined the books,  
27 accounts, vouchers, records, and expenditures of a fire protection  
28 district. The expense of the examination shall be paid by the

1 political subdivision.

2 (b) Whenever the expenditures of a fire protection  
3 district are one hundred fifty thousand dollars or less per fiscal  
4 year, the fire protection district shall be audited no more than  
5 once every five years except as directed by the board of directors  
6 of the fire protection district or unless the auditor receives a  
7 verifiable report from a third party indicating any irregularities  
8 or misconduct of officers or employees of the fire protection  
9 district, any misappropriation or misuse of public funds or  
10 property, or any improper system or method of bookkeeping or  
11 condition of accounts of the fire protection district. In the  
12 absence of such a report, the auditor may waive the five-year audit  
13 requirement upon the submission of a written request by the fire  
14 protection district in a form prescribed by the auditor. The  
15 auditor shall notify the fire protection district in writing of the  
16 approval or denial of a request for waiver of the five-year audit  
17 requirement. Upon approval of the request for waiver of the  
18 five-year audit requirement, a new five-year audit period shall  
19 begin.

20 (c) Whenever the expenditures of a fire protection  
21 district exceed one hundred fifty thousand dollars in a fiscal  
22 year, the auditor may waive the audit requirement upon the  
23 submission of a written request by the fire protection district in  
24 a form prescribed by the auditor. The auditor shall notify the  
25 fire protection district in writing of the approval or denial of a  
26 request for waiver. Upon approval of the request for waiver, a new  
27 five-year audit period shall begin for the fire protection district  
28 if its expenditures are one hundred fifty thousand dollars or less

1 per fiscal year in subsequent years;

2           (7) To appoint two assistant deputies (a) whose entire  
3 time shall be devoted to the service of the state as directed by  
4 the auditor, (b) who shall be certified public accountants with at  
5 least five years' experience, (c) who shall be selected without  
6 regard to party affiliation or to place of residence at the time of  
7 appointment, (d) who shall promptly report in duplicate to the  
8 auditor the fiscal condition shown by each examination, including  
9 any irregularities or misconduct of officers or employees, any  
10 misappropriation or misuse of public funds or property, and any  
11 improper system or method of bookkeeping or condition of accounts,  
12 and it shall be the duty of the auditor to file promptly with the  
13 Governor a duplicate of such report, and (e) who shall qualify by  
14 taking an oath which shall be filed in the office of the Secretary  
15 of State;

16           (8) To conduct audits and related activities for state  
17 agencies, political subdivisions of this state, or grantees of  
18 federal funds disbursed by a receiving agency on a contractual or  
19 other basis for reimbursement to assure proper accounting by all  
20 such agencies, political subdivisions, and grantees for funds  
21 appropriated by the Legislature and federal funds disbursed by any  
22 receiving agency. The auditor may contract with any political  
23 subdivision to perform the audit of such political subdivision  
24 required by or provided for in section 23-1608 or 79-1229 or this  
25 section and charge the political subdivision for conducting the  
26 audit. The fees charged by the auditor for conducting audits on a  
27 contractual basis shall be in an amount sufficient to pay the cost  
28 of the audit. The fees remitted to the auditor for such audits and

1 services shall be deposited in the Auditor of Public Accounts Cash  
2 Fund;

3 (9) To conduct all audits and examinations in a timely  
4 manner and in accordance with the standards for audits of  
5 governmental organizations, programs, activities, and functions  
6 published by the Comptroller General of the United States;

7 (10) To develop a plan for implementing on-line filing of  
8 budgeted and actual financial information by political  
9 subdivisions. Such plan shall describe the technology and staff  
10 resources necessary to implement on-line filing of such information  
11 and the costs of these resources. Such plan shall be presented to  
12 the Clerk of the Legislature on or before January 15, 2003; and

13 (11) To develop and maintain an annual budget and actual  
14 financial information reporting system that is accessible on-line  
15 by the public.

16 Sec. 2. The Auditor of Public Accounts, when expressly  
17 authorized by the Legislature through state statute to perform a  
18 specific evaluation, may conduct performance evaluations of state  
19 executive branch officers, state agencies, state bureaus, state  
20 boards, state commissioners, the state library, societies and  
21 associations supported by the state, state institutions, state  
22 colleges, and the University of Nebraska. The auditor shall issue  
23 the performance evaluation report to the Director of Administrative  
24 Services, the appropriate standing committee of the Legislature,  
25 and the Legislative Program Evaluation Committee.

26 Sec. 3. Original section 84-304, Revised Statutes  
27 Supplement, 2002, is repealed.